July 12, 1960

Synopsis of State and Intelligence material reported to the President (Teletyped to Newport to Mr. Hagerty)

USSR - EAST GERMANY

A stiff Soviet note handed on 4 July to the British commander in chief in West Germany, together with three new incidents on 4 and 5 July involving harassment of British mission personnel by East German police, suggests Moscow is supporting the Ulbricht regime's efforts to assert control over the Allied missions. In the note -- a formal reply to a British protest concerning an earlier East German assault on mission members -- the Soviet commander in chief accused the British of provoking incidents and stated that he could prevent further trouble only if the mission "strictly observes the laws and regulations of the German Democratic Republic." This contrasted with the apparently conciliatory tone of his earlier verbal answer. As a result of the continued harassment, the British commander in chief has temporarily suspended all travel by the mission.

Khrushchev has threatened to sign a peace treaty with the GDR if the Federal Republic Bundestag meets in West Berlin. Khrushchev has also told the Austrians that the USSR would follow the treaty by initiating a step-by-step harassment of the West in such a way that no one move would seem worth a war. His statements seemed to be part of a continuing effort to probe the West's determination. Regarding this, a senior French official has told our Embassy in Paris that we should press the Germans to cancel the Berlin meeting. The British do not agree.

JAPAN

On tomorrow, July 13th, the Liberal Democratic Party convention will convene. None of the three candidates, Ikeda, Ono, and Ishii have enough support to win a majority on the first ballot.

CONGO

The secession of Katanga Province may be followed by similar moves in other Provinces. It appears that Lumumba cannot prevent the DECLAGRIFIED

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BY DIH :: 5/23/8/

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